

SABINE PARISH POLICE JURY
Many, Louisiana

Basic Financial Statements
(Primary Government)
and Independent Auditor's Reports
As of and for the Year Ended December 31, 2012
(With Comparative Totals, December 31, 2011)

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JUL 24 2013

SABINE PARISH POLICE JURY
Many, Louisiana

Basic Financial Statements
(Primary Government)
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As of and for the Year Ended December 31, 2012
(With Comparative Totals, December 31, 2011)

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HERBIE W. WAY
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Independent Auditor's Report

SABINE PARISH POLICE JURY

Many, Louisiana

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sabine Parish Police Jury, Many, Louisiana, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the basic financial statements of the parish's primary government, as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

SABINE PARISH POLICE JURY
Many, Louisiana
Independent Auditor's Report
(Continued)

**BASIS FOR ADVERSE OPINION ON AGGREGATE DISCRETELY PRESENTED COMPONENT UNITS AND
QUALIFIED OPINION ON AGGREGATE REMAINING FUND INFORMATION**

The financial statements do not include financial data of the police jury's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the parish's primary government unless the parish also issues financial statements for the financial reporting entity that include financial data for its component units. The parish has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net position, revenues, and expenses of aggregate discretely presented component units, which effects are not reasonably determinable, would have been presented. In addition, the assets, liabilities, fund balances, revenues, and expenditures of the aggregate remaining fund information would have increased by an amount that is also not reasonably determinable.

ADVERSE OPINION ON AGGREGATE DISCRETELY PRESENTED COMPONENT UNITS

In my opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above do not present fairly the aggregate discretely presented component units of the police jury as of December 31, 2012, or the changes in financial position thereof for the year then ended.

QUALIFIED OPINION ON AGGREGATE REMAINING FUND BALANCE

In my opinion, except for the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the parish as of December 31, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

BASIS FOR QUALIFIED OPINIONS

The financial statements do not include the financial information and disclosures as required by Governmental Accounting Standards Board (GASB) 45 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This standard requires governmental entities that provide other postemployment benefits recognize and report the related expenditures, liabilities, note disclosures, and required supplementary information in the financial reports of the governmental entity. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net position, revenues, and expenses, which effects are not reasonably determinable, would have been presented.

QUALIFIED OPINIONS

In my opinion, except for the effects of the matter described in the "Basis for Qualified Opinions" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the each major fund, and the aggregate remaining fund information of the police jury, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

SABINE PARISH POLICE JURY
Many, Louisiana
Independent Auditor's Report
(Continued)

REPORT ON SUMMARIZED COMPARATIVE INFORMATION

I have previously audited the December 31, 2011, financial statements, and I expressed an unmodified audit opinion on those audited financial statements in my report dated June 4, 2013. In my opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2011, is consistent, in all material respects, with the audited financial statements from which it has been derived.

OTHER MATTERS

Accounting principles generally accepted in the United States of America require that the supplementary information (Part I & II), as listed in the foregoing table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

OTHER INFORMATION

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the police jury's basic financial statements. The combining and individual nonmajor fund financial statements and the accompanying Schedule of Expenditures of Federal Awards as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor financial statements and the Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining and individual nonmajor financial statements and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SABINE PARISH POLICE JURY
Many, Louisiana
Independent Auditor's Report
(Continued)

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, I have also issued my report dated June 4, 2013, on my consideration of the internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control over financial reporting and compliance.

Herbie W. Way

Herbie W. Way
Alexandria, Louisiana
June 4, 2013

REQUIRED SUPPLEMENTAL INFORMATION
PART I

SABINE PARISH POLICE JURY
Many, Louisiana
Management's Discussion and Analysis
December 31, 2012

The Management's Discussion and Analysis (MD&A) of the Sabine Parish Police Jury's financial performance provides an overview of the police jury's financial activities for the year ended December 31, 2012, with comparative totals presented for the year ended December 31, 2011. The MD&A is designed to focus on the current year's activities, resulting changes and currently known facts.

FINANCIAL HIGHLIGHTS

The assets of the Sabine Parish Police Jury exceeded its liabilities at the close of the most recent fiscal year by \$24.534 million (net position). Of this amount, \$12.555 million (unrestricted net position) may be used to meet the government's on-going obligations to citizens and creditors. The government's total net position decreased by \$1.781 million.

At December 31, 2012, the Sabine Parish Police Jury's governmental funds reported combined ending fund balances of \$12.870 million, a decrease of \$1.387 million in comparison with the prior year's ending fund balance of \$12.870 million. The total fund balance in the general fund is \$4.247 million. The unrestricted fund balance in the general fund of \$4.247 million is available for spending at the government's discretion. This balance increased by \$.197 million from the prior year's balance in general fund of \$4.050 million.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Sabine Parish Police Jury's basic financial statements. The Sabine Parish Police Jury's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements.

The government-wide financial statements are designed to provide readers with a broad overview of the Sabine Parish Police Jury's finances, in a manner similar to a private-sector business. These statements for the first time, combine governmental fund's current financial resources with capital assets and long-term debt obligations.

The statement of net position presents information on all of the Sabine Parish Police Jury's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Sabine Parish Police Jury is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The focus on the statement of activities is on both the gross and net cost of various activities which are provided by the government's general tax and other revenues. This is intended to summarize information and simplify the user's analysis of cost of various governmental services.

The government-wide financial statements distinguish the different functions of the Sabine Parish Police Jury that is principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Sabine Parish Police Jury include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The Sabine Parish Police Jury does not at this time have any business-type activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statements presentations more familiar. The focus now is on the major fund types rather than the non-major fund types. The Sabine Parish Police Jury, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

SABINE PARISH POLICE JURY
Many, Louisiana
Management's Discussion and Analysis
(Continued)

Governmental Funds

These funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Sabine Parish Police Jury maintains numerous individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Statement C and Statement E, respectively. At December 31, 2012, these funds are considered to be major funds of the police jury. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Sabine Parish Police Jury adopts an annual appropriated budget for its general, special revenue, and debt service funds. Budgetary comparison statements have been provided at the fund type level for the major funds to demonstrate legal compliance with these budgets.

The basic governmental fund financial statements can be found in the Basic Financial Statements Section of this financial report.

Capital Assets

General capital assets include land, improvements to land, easements, buildings, vehicles, machinery and equipment, infrastructure, and all other intangible assets that are used in operations and that have initial useful lives greater than one year. The parish has capitalized all purchased general capital and infrastructure assets.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in the Notes Section of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Sabine Parish Police Jury's progress in funding its obligations. Required supplementary information can be found in the Required Supplementary section of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on the major fund's budgets.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Sabine Parish Police Jury, assets exceeded liabilities by \$24.534 million at the close of the most recent fiscal year.

SABINE PARISH POLICE JURY
Many, Louisiana
Management's Discussion and Analysis
(Continued)

A large portion of the Sabine Parish Police Jury's net position reflects its investment in capital assets (land, buildings, machinery, equipment, infrastructure), less any related debt used to acquire those assets that is still outstanding. The Sabine Parish Police Jury uses these capital assets to provide services to citizens, consequently, these assets are not available for future spending. Although the Sabine's investment in its capital assets is reported net of related debt, it is not a spendable resource. The resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Sabine Parish Police Jury's Net Position

Total net position for all activities are \$24.534 million. The remaining balance of unrestricted net position (\$12.555 million) may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the Sabine Parish Police Jury is able to report positive balances in net position. The government's total net position increased by \$1.782 million during 2012. The following table presents, in millions, the comparative statement of net position in a condensed format.

	2012	2011
ASSETS		
Current and other assets	\$13.693	\$14.544
Capital assets, net	12.617	12.437
Total Assets	<u>\$26.310</u>	<u>\$26.981</u>
LIABILITIES		
Current and other liabilities	\$.837	\$.291
Long-term liabilities	.938	.374
Total Liabilities	<u>1.775</u>	<u>0.665</u>
NET POSITION		
Invested in capital assets, net of debt	11.979	12.340
Unrestricted	12.555	9.938
Total Net Position	<u>\$24.534</u>	<u>\$22.278</u>

The results of current year's operations for the police jury are reported on the Statement of Activities. The following table presents, condensed comparative financial information (in millions) from that statement.

SABINE PARISH POLICE JURY
Many, Louisiana
Management's Discussion and Analysis
(Continued)

	2012	2011
Revenues		
Program revenues:		
Charges for services	\$.468	\$.564
Operating grants and contributions	1.038	.625
General revenues:		
Ad valorem taxes	2.857	2.172
Sales and use taxes	5.173	8.025
State grants	.896	1.191
Interest and investment earnings	.103	.216
Other general revenues	.302	.377
Total revenues	10.837	13.170
Functions/Program Expenses		
Current:		
General government:		
Legislative	.130	.187
Judicial	.568	.628
Elections	.025	.044
Finance and administration	.384	.333
Other	.457	.433
Public safety	.824	.500
Public works	9.642	7.572
Health and welfare	.249	.182
Culture and recreation	.012	.001
Economic development and assistance	.312	.026
Debt service - interest and fiscal charges	.015	.004
Total expenses	12.618	9.910
Increase (decrease) in net position	\$(1.781)	\$3.260

SABINE PARISH POLICE JURY
Many, Louisiana
Management's Discussion and Analysis
(Continued)

Governmental Activities

Total revenues from governmental activities were \$10.820 million, down from the prior year revenues of \$13.103 million. Sales taxes received this year were \$5.173 million, down from prior year revenues of \$8.025 million. Ad valorem taxes collected were \$2.857 million, up from prior year revenue of \$2.172 million. Funds received from the Louisiana Department Transportation and Development (Parish Transportation Act funds) were \$.362 million, down from the prior year revenues of \$.387 million.

Total expenditures in support of governmental activities were \$13.054 million, up from the prior year expenditures of \$9.103 million. Expenditures for public work projects (roads, bridges, etc.) totaled \$9.822 million for 2012, up from the previous year expenditures of \$6.717 million. Expenditures in support of the parish's judicial system were \$.568 million for 2012, down from the previous year expenditures of \$.627 million.

Financial Analysis of the Government's Funds

As noted earlier, the Sabine Parish Police Jury uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Sabine Parish Police Jury's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Sabine Parish Police Jury's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Sabine Parish Police Jury's governmental funds reported combined ending fund balances of approximately \$12.870 million, a decrease of \$1.387 million from the previous year. Total fund balance for the general fund is \$4.247 million, an increase of \$.197 million from the previous year. The unassigned fund balance in the general fund was \$4.247 million, which constitutes an amount which is available for spending at the government's discretion. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. The remainder of fund balance is in special purpose funds to indicate that it is not necessarily available for new spending because it has already been committed to pay for a variety of other special purposes for which the funds were created, Special Revenue Funds, \$8.661 million.

The general fund is the chief operating fund of the Sabine Parish Police Jury. At the end of the current year, total fund balance of the General Fund was \$4.247 million. The fund balance of the Sabine Parish Police Jury's General Fund increased by \$.197 million from the previous year.

Budgetary Highlights

The major funds of the Sabine Parish police Jury includes the governmental funds presented on Statements C and E of the police jury's basic financial statements. Budgetary comparisons for these major funds is presented, as required supplemental information, on Schedules 1 through 5 of the police jury's basic financial statements. The following presents significant highlights of selected funds and the budgetary process.

General Fund - actual revenues were less than budgeted revenues by approximately \$.479 million or 18.05 per cent. Actual expenditures were less than budgeted expenditures by approximately \$.763 million or 27.84 per cent.

Transportation Fund - actual revenues were more than budgeted revenues by approximately \$.033 million or 1.29 per cent. Actual expenditures were less than budgeted expenditures by approximately \$.053 million or 1.97 per cent.

Sales Tax Fund - actual revenues exceeded budgeted revenues by approximately \$.187 million or 3.53 per cent. Actual expenditures were less than budgeted expenditures by approximately \$.108 million or 1.42 per cent.

Criminal Court Fund - is exempt from the requirements of Louisiana law relating to the adoption of an annual budget; accordingly, a budgetary comparison is not presented in these supplemental schedules.

SABINE PARISH POLICE JURY
Many, Louisiana
Management's Discussion and Analysis
(Continued)

Road District No. 16 - actual revenues were less than budgeted revenues by approximately \$.002 million or .50 per cent. Actual expenditures were less than budgeted expenditures by approximately \$.062 million or 11.19 per cent.

Road District No. 18 - actual revenues were less than budgeted revenues by approximately \$.033 million or 3.71 per cent. Actual expenditures were less than budgeted expenditures by approximately \$.324 million or 75.30 per cent.

Health Unit Fund - actual revenues were less than budgeted revenues by approximately \$.007 million or 4.17 per cent. Actual expenditures were less than budgeted expenditures by approximately \$.018 million or 7.06 per cent.

Capital Asset and Debt Administration

Capital Assets

The Sabine Parish Police Jury's investment in capital assets for its governmental activities at December 31, 2012, amounts to \$12.615 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and infrastructure added this year. Additional information on Sabine Parish Police Jury's capital assets can be found in the Note section of this report. The following table shows capital assets (in millions), net of accumulated depreciation, for the year ended December 31, 2012:

	2012	2011
Land	\$.595	\$.595
Buildings and improvements	1.648	1.421
Machinery and equipment	2.927	2.048
Furniture and fixtures	.019	.008
Infrastructure	7.428	8.365
Totals	\$12.617	\$12.437

Debt Administration

At December 31, 2012, the Sabine Parish Police Jury had total debt outstanding of \$.938 million. Of this amount, \$.638 million is comprised of capital lease agreements, and \$.300 million in compensated absences. Additional information on the Sabine Parish Police Jury's long-term debt can be found in the Note section of this report.

Economic Factors and Next Years Budgets and Rates

Police Jurors and appointed officials use citizen input and consider many factors when setting the upcoming year's budget and tax millages. Our ad valorem taxes, state revenue sharing, severance taxes and sales tax collections are very important in this process accounting for approximately 97% of the 2012 revenues. Budgetary estimates for the ad valorem and state revenue sharing are based upon expectations of what the tax rolls and approved millages will provide. The jury budgeted the severance taxes and sales tax revenues (combined approximately 95% of total 2012 revenues) conservatively for the ensuing year's budget. Severance taxes are primarily controlled by the amount of timber harvested in the parish with some amount of oil activity. The housing slump appears to have leveled out, resulting in the timber severance taxes starting to increase. The prior years increased drilling for natural gas in the Haynesville Shale resulted in a steep increase in the sales and use tax and general severance tax revenues. This activity has peaked and revenue from these sources are expected to decrease in future years.

SABINE PARISH POLICE JURY
Many, Louisiana
Management's Discussion and Analysis
(Continued)

Requests for Information

This financial report is designed to provide a general overview of the Sabine Parish Police Jury's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Sabine Parish Police Jury, ATTN: Secretary/Treasurer, 400 S. Capitol Street, Room 101, Many, Louisiana 71449, telephone 318-256-5637.

**SABINE PARISH POLICE JURY
MANY, LOUISIANA**

**BASIC FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2012, AND FOR THE YEAR THEN ENDED
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2011)**

Statement A

SABINE PARISH POLICE JURY
Many, Louisiana

Statement of Net Position
December 31, 2012
(With Comparative Totals, December 31, 2011)

ASSETS	2012	2011
-----	-----	-----
Cash and cash equivalents	\$10,539,101	\$12,058,118
Receivables	3,153,470	2,486,294
Capital assets (net of accumulated depreciation):		
Land	595,253	595,253
Buildings and improvements	1,647,721	1,421,396
Machinery and equipment	2,926,989	2,047,532
Furniture, equipment, and other	19,296	7,767
Infrastructure:		
Roads	2,976,835	4,193,925
Road right-of way	987,759	987,032
Bridges	3,463,123	3,184,049
	-----	-----
TOTAL ASSETS	\$26,309,547	\$26,981,365
	=====	=====
LIABILITIES		

Accounts, salaries, and other payables	\$822,300	\$287,152
Interest payable	14,942	4,270
Long-term liabilities:		
Due within one year	280,194	103,982
Due in more than one year	657,951	270,435
	-----	-----
Total Liabilities	1,775,388	665,839
	-----	-----
NET POSITION		

Net investment in capital assets	11,978,775	12,339,641
Unrestricted	12,555,384	13,975,885
	-----	-----
NET POSITION	\$24,534,160	\$26,315,526
	=====	=====

The accompanying notes are an integral part of these financial statements.

Statement B

SABINE PARISH POLICE JURY
Many, Louisiana

Statement of Activities
For the Year Ended December 31, 2012
(With Comparative Totals for the Year Ended December 31, 2011)

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			2012	2011
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
Governmental activities:						
General government:						
Legislative	\$130,158				(\$130,158)	(\$187,260)
Judicial	568,297	343,185			(225,112)	(256,606)
Elections	25,646				(25,646)	(44,443)
Finance and administrative	383,542				(383,542)	(333,175)
Other	457,174				(457,174)	(432,835)
Public safety	824,719		676,626		(148,093)	(261,914)
Public works	9,642,201	124,631	361,845		(9,155,725)	(6,989,971)
Health and welfare	248,501				(248,501)	(182,107)
Culture and recreation	11,639				(11,639)	(503)
Economic development and assistance	311,925				(311,925)	(26,441)
Debt service	14,942				(14,942)	(4,271)
Total Governmental Activities	12,618,742	467,816	1,038,470	NONE	(11,112,455)	(8,719,527)
General revenues:						
Taxes:						
Property taxes, levied for general purposes					2,857,024	2,171,706
Sales and use taxes, levied for general purposes					5,173,147	8,025,284
Federal grant programs					896,123	1,190,961
State grant programs					102,655	215,852
Interest and investment earnings					302,140	375,345
Miscellaneous						
Total general revenues and special items					9,331,090	11,979,148
Changes in net position					(1,781,365)	3,259,621
Net position - Beginning of year					26,315,526	23,055,905
Net position - End of year					\$24,534,160	\$26,315,526

The accompanying notes are an integral part of these financial statements.

Statement C

SABINE PARISH POLICE JURY
Many, Louisiana

GOVERNMENTAL FUNDS
Balance Sheet
December 31, 2012
(With Comparative Totals at December 31, 2011)

	GENERAL FUND	TRANSPORTATION FUND	SALES TAX FUND	CRIMINAL COURT FUND	ROAD DISTRICT FUND NO. 16	ROAD DISTRICT FUND NO. 18	HEALTH UNIT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL	
									2012	2011
ASSETS										
Cash and cash equivalents	\$3,311,890	\$258,968	\$1,192,711	\$36,684	\$182,991	\$1,083,804	\$1,754,890	\$2,717,164	\$10,539,101	\$12,058,118
Receivables	950,009	52,045	9,698	10,559	78,053	120,989	133,890	1,798,226	3,153,470	2,486,294
Interfund receivables	58,500								58,500	85,275
TOTAL ASSETS	\$4,320,399	\$311,013	\$1,202,409	\$47,243	\$261,044	\$1,204,793	\$1,888,780	\$4,515,390	\$13,751,071	\$14,629,687
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts, salaries, and other payables	\$73,340	\$39,236	\$34,112	\$7,955	\$92,164	\$54,353	\$5,525	\$515,614	\$822,300	\$287,152
Interfund payables				19,644				38,856	58,500	85,275
Total Liabilities	73,340	39,236	34,112	27,599	92,164	54,353	5,525	554,471	880,800	372,428
Fund balances:										
Restricted for maintenance and operation		271,777	1,168,296	19,644	168,880	1,150,440	1,883,255	3,998,719	8,661,010	10,232,294
Unassigned	4,247,059							(37,799)	4,209,260	4,024,966
Total Fund Balances	4,247,059	271,777	1,168,296	19,644	168,880	1,150,440	1,883,255	3,960,920	12,870,270	14,257,259
TOTAL LIABILITIES AND FUND BALANCES	\$4,320,399	\$311,013	\$1,202,409	\$47,243	\$261,044	\$1,204,793	\$1,888,780	\$4,515,390	\$13,751,071	\$14,629,687

The accompanying notes are an integral part of these financial statements.

SABINE PARISH POLICE JURY
Many, Louisiana

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
December 31, 2012
(With Comparative Totals, December 31, 2011)

		2012	2011
		-----	-----
Total Fund Balances - Governmental Funds		\$12,870,270	\$14,257,259
Cost of capital assets	\$74,587,610		
Less - accumulated depreciation	(61,970,634)	12,616,976	12,436,954

Elimination of interfund assets and liabilities:			
Interfund receivables	58,500		
Interfund payables	(58,500)	NONE	NONE

Long-term liabilities:			
Capital lease agreements	(638,201)		
Compensated absences	(299,944)		
Interest payable - current	(14,942)	(953,087)	(378,687)
	-----	-----	-----
Net Position		\$24,534,160	\$26,315,526
		=====	=====

The accompanying notes are an integral part of these financial statements.

SABINE PARISH POLICE JURY
Many, Louisiana
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2012
(With Comparative Totals for the Year Ended December 31, 2011)

								2012	2011	
	GENERAL FUND	TRANSPORTATION FUND	SALES TAX FUND	CRIMINAL COURT FUND	ROAD DISTRICT FUND NO. 16	ROAD DISTRICT FUND NO. 18	HEALTH UNIT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES										
Taxes:										
Ad valorem	\$704,857				\$109,387	\$126,373	\$156,932	\$1,759,475	\$2,857,024	\$2,171,706
Sales and use			\$5,173,147						5,173,147	8,025,284
Other taxes, licenses, and interest	212,146								212,146	209,296
Intergovernmental revenues:										
Federal funds	397,447							279,179	676,626	237,848
State funds	755,363	\$361,845	3,641		6,238	56,309	6,666	67,905	1,257,967	1,577,891
Fees, charges, and commissions			124,631						124,631	193,823
for services				\$304,947				37,558	343,185	370,582
Fines and forfeitures	681			97	590	2,805	4,583	11,239	102,655	215,852
Use of money and property	82,717	624		1,778	13,290			54,705	72,259	100,949
Other revenues	1,610		877							
Total revenues	2,154,822	362,468	5,302,297	306,822	129,505	185,487	168,181	2,210,060	10,819,641	13,103,230
EXPENDITURES										
Current										
General government:										
Legislative	130,158								130,158	187,260
Judicial	237,291			287,151				43,855	568,297	627,187
Elections	25,646								25,646	44,443
Finance and administrative	265,442		43,622		4,119	4,844		65,515	383,542	333,175
Other	434,333								434,333	405,728
Public safety	824,719								824,719	499,763
Public works		3,070,965	783,554		551,424	425,817		4,990,462	9,822,223	6,716,676
Health and welfare	15,228						233,273		248,501	182,107
Culture and recreation	11,639								11,639	503
Economic development and assistance	32,746							279,179	311,925	26,441
Debt service		161,753						131,583	293,336	79,905
Total expenditures	1,977,201	3,232,718	827,176	287,151	555,544	430,661	233,273	5,510,594	13,054,318	9,103,190
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	177,621	(2,870,250)	4,475,121	19,671	(426,039)	(245,175)	(65,092)	(3,300,534)	(2,234,677)	4,000,041
OTHER FINANCING SOURCES (Uses)										
Operating transfers in	19,644	2,196,000			361,342	715,421		3,570,622	6,863,030	5,899,556
Operating transfers out		(97,386)	(6,746,000)	(19,644)					(6,863,030)	(5,899,556)
Increase in capital leases		628,998						200,955	829,953	65,100
Total other financing sources (uses)	19,644	2,727,612	(6,746,000)	(19,644)	361,342	715,421		3,771,577	829,953	65,100

The accompanying notes are an integral part of these financial statements.

SABINE PARISH POLICE JURY
Many, Louisiana
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2012
(With Comparative Totals for the Year Ended December 31, 2011)

	GENERAL FUND	TRANSPORTATION FUND	SALES TAX FUND	CRIMINAL COURT FUND	ROAD DISTRICT FUND NO. 16	ROAD DISTRICT FUND NO. 18	HEALTH UNIT FUND	OTHER GOVERNMENTAL FUNDS	2012 TOTAL GOVERNMENTAL FUNDS	2011 TOTAL GOVERNMENTAL FUNDS
SPECIAL ITEMS										
Sale of fixed assets		\$186							\$186	
Compensation for property damage		17,550							17,550	
Total Special Items	NONE	17,736	NONE	NONE	NONE	NONE	NONE	NONE	17,736	NONE
NET CHANGE IN FUND BALANCE	\$197,265	124,902	(\$2,270,879)	\$27	(\$64,697)	\$470,247	(\$65,092)	\$471,043	1,386,988	\$4,065,141
FUND BALANCE AT BEGINNING OF YEAR	4,049,795	396,679	3,439,175	19,617	233,576	680,194	1,948,348	3,489,876	14,257,259	10,192,119
FUND BALANCES AT END OF YEAR	\$4,247,059	\$271,777	\$1,168,296	\$19,644	\$168,880	\$1,150,440	\$1,883,255	\$3,960,920	\$12,870,270	\$14,257,259

The accompanying notes are an integral part of these financial statements.

SABINE PARISH POLICE JURY
Many, Louisiana

Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Statement of Activities

For the Year Ended December 31, 2012
(With Comparative Totals for the Year Ended December 31, 2011)

	2012	2011
	-----	-----
Total net change in fund balances - governmental funds	(\$1,386,988)	\$4,065,141
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlay in the period:		
Capital outlays	\$1,844,102	
Depreciation expense	(1,664,079)	

Repayment of bond principal, bank loans, capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position	293,336	79,906
In the Statement of Activities certain operating expenses, such as compensated absences, are measured by the amounts earned during year, but in the Governmental Funds expenditures for these items are measured by the amount of financial resources used.	(22,841)	(27,107)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	(14,942)	(4,270)
In the Statement of Activities certain financing activities such as acquiring capital assets through lease activities are recorded differently than in the governmental funds	(829,953)	(65,100)
	-----	-----
Change in net position of governmental activities	(\$1,781,365)	\$3,259,621
	=====	=====

The accompanying notes are an integral part of these financial statements.

SABINE PARISH POLICE JURY
(Primary Government)
Many, Louisiana

Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2012

INTRODUCTION

The Sabine Parish Police Jury is the governing authority for Sabine Parish and is a political subdivision of the State of Louisiana. The police jury is governed by 9 jurors representing the various districts within the parish. The jurors serve four-year terms which expire in January 2016.

Louisiana Revised Statute 33:1236 gives the police jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of those are the power to make regulations for their own government, to regulate the construction and maintenance of roads and bridges, to regulate the construction and maintenance of drainage systems, to regulate the sale of alcoholic beverages, and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Sabine Parish Police Jury have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

This financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

B. REPORTING ENTITY

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the police jury is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the police jury may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. Governmental Accounting Standards Board (GASB) Statement No. 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (police jury) financial statements are not a substitute for the reporting entity's financial statements.

The police jury has chosen to issue financial statements of the primary government (police jury) only; therefore, none of the component units, the Sabine Parish Assessor, Sheriff, Clerk of Court, Library, Fire Protection District No. 1 Wards 1 and 2, Fire District No. 1 Wards 3 and 4, North Sabine Fire Protection District, South Toledo Bend Waterworks District, and the Humane Society Animal Shelter District, that comprise the reporting entity are included in the accompanying financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (police jury).

SABINE PARISH POLICE JURY
Many, Louisiana
Notes to the Basic Financial Statements
(Continued)

C. FUNDS

The police jury uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain police jury functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Funds of the police jury are classified as follows:

Governmental Funds

Governmental funds account for all or most of the police jury's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the police jury. The following are the police jury's primary governmental funds:

General Fund -- the general operating fund of the police jury and accounts for all financial resources, except those required to be accounted for in other funds.

Special revenue funds -- account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt service funds -- account for transactions relating to resources retained and used for the payment of principal and interest on general long-term debt recorded in the general long-term debt account group.

Capital projects funds -- account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements - include the Statement of Net Position (Statement A) and the Statement of Activities (Statement B). These financial statements report the financial position and results of operations for the police jury as a whole. Fiduciary funds, if applicable, are not included at this level, as they are only reported in the Statement of Fiduciary Net Position at the fund financial statement level.

The Government-Wide Financial Statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) derive directly from parties outside the police jury's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the police jury's general revenues.

SABINE PARISH POLICE JURY
Many, Louisiana
Notes to the Basic Financial Statements
(Continued)

Allocation of Indirect Expenses - The police jury reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Fund Financial Statements - governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. Fund financial statements report detailed information about the police jury. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

Governmental funds and, if applicable, the agency fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The police jury considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Federal and state entitlements (which includes state revenue sharing) are recorded as unrestricted grants-in-aid when available and measurable. Expenditure driven Federal and state grants are recorded as restricted grants-in-aid when the reimbursable expenditures have been incurred.

Food service income is recorded when collected. All food services income applicable to an accounting period is collected during the fiscal year.

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. Taxes are normally collected in December, January, and February of the fiscal year.

SABINE PARISH POLICE JURY
Many, Louisiana
Notes to the Basic Financial Statements
(Continued)

Sales and use taxes are recorded in the month collected by the Sabine Parish Tax Commission (collection agent) or by the Louisiana Department of Public Safety and Corrections, Public Safety Services.

Interest earnings on time deposits are recorded when the time deposits have matured and the income is available.

Substantially all other revenues are recorded when they are available to the police jury.

Based on the above criteria, federal and state entitlements, ad valorem taxes, and sales and use tax are treated as susceptible to accrual by the police jury.

Expenditures

Salaries are recorded as expenditures when earned.

Purchases of various operating equipment and supplies are recorded as expenditures in the accounting period they are purchased.

Commitments under construction contracts are recognized as expenditures when earned by the contractor.

Substantially all other expenditures are recognized when the related fund liability has been incurred.

Transfers between funds that are not expected to be repaid, sale of assets, and proceeds from the sale of bonds are accounted for as other financing sources (uses). These transactions are recognized at the time the underlying events occur.

Deferred Revenues

The police jury, if applicable, reports deferred revenues on its fund financial statements balance sheet. Deferred revenues arise when resources are received by the police jury before it has a legal claim to them, as when grant monies are received before the incurrence of qualifying expenditures. In subsequent periods, when the police jury has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

SABINE PARISH POLICE JURY
Many, Louisiana
Notes to the Basic Financial Statements
(Continued)

E. BUDGETS

The police jury adopts annual budgets on the General Fund and special revenue funds. The proposed budgets are prepared by the secretary/treasurer and the finance committee of the police jury during October/November of each year. During November/December, the availability of the proposed budgets for public inspection and the date of the public hearing on the budgets are advertised in the official journal. At its meeting in December, the police jury holds a public hearing on the proposed budgets in order to receive comments from residents. Changes are made to the proposed budgets based on the results of the public hearing and the desires of the police jury as a whole. The budgets are then adopted, and notice is published in the official journal.

The budgets are prepared on the modified accrual basis of accounting and all appropriations lapse at year end. Encumbrances are not formally recognized within the accounting system for budgetary control purposes; however, outstanding purchase orders are taken into consideration before expenditures are incurred to assure that applicable appropriations are not exceeded. Formal budgetary integration (within the accounting records) is employed as a management control device.

The secretary/treasurer is authorized to transfer amounts between line items within a fund; however, when requested by the police jury, budgetary comparisons are prepared and presented to the police jury during a regular meeting. The police jury reviews these comparisons and proposed amendments, makes changes as it deems necessary, and formally adopts the amendments. The adoption of the amendments is included in the police jury minutes published in the official journal. Budget amounts included in the accompanying financial statements include the original and final amended budget amounts.

F. ENCUMBRANCES

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposit, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those income-producing items with original maturities of usually 90 days or less. Under state law, the police jury may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Under state law, the police jury may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

SABINE PARISH POLICE JURY
Many, Louisiana
Notes to the Basic Financial Statements
(Continued)

H. INVESTMENTS

In accordance with Louisiana Revised Statute (LSA-R.S.) 32:2955, the police jury, upon determination of the availability of funds in excess of immediate cash requirements by its treasurer or chief financial officer and in the exercise of prudent judgment, may invest in direct United States Treasury obligations; bonds, debentures, notes, or other evidence of indebtedness guaranteed by federal agencies or United States government instrumentalities, provided that such obligations are backed by the full faith and credit of the United States government; and savings accounts and certificates of deposit of state banks organized under the laws of Louisiana or national banks having their principal offices in the state of Louisiana. Additionally, the police jury may invest in mutual or trust fund institutions (limited to 25 per cent of the funds considered available for investment under this section) provided that they are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the investment Act of 1940 and have underlying investments consisting solely of securities of the United States government or its agencies. Investments are stated at fair value.

I. INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods and services provided or rendered. These receivables and payables are classified as interfund receivables and payables on the fund financial statements but are eliminated for reporting purposes on the government-wide financial statements.

J. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The police jury capitalizes all assets with an estimated useful life of more than one year. Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. All capital assets, other than land and construction in progress, are depreciated using the straight-line method of depreciation. Interest costs on debt used to finance the acquisition and/or construction of capital assets are not capitalized. The following is a summary of the estimated useful life(s) of the various capital assets of the police jury:

Asset Type	Useful Life (Years)
Buildings	25 - 80
Machinery and Equipment	10 - 20
Furniture and fixtures	5 - 10

K. COMPENSATED ABSENCES

Employees of the police jury earn 5 to 20 days of vacation leave and 12 days of sick leave each year, depending on their length of service. Vacation leave accumulates without limitation and employees are paid for their accumulated vacation leave upon termination of employment. Sick leave may be accumulated to a maximum of 45 days; however, accumulated sick leave is forfeited upon termination of employment.

SABINE PARISH POLICE JURY
Many, Louisiana
Notes to the Basic Financial Statements
(Continued)

The registrar of voters and the chief deputy of Sabine Parish are employees of the State of Louisiana, Department of Elections and Registration and are paid in part by the Sabine Parish Police Jury. Employees accrue and accumulate annual and sick leave in accordance with state law and administrative regulations. The leave is accumulated without limitation; however, upon separation of employment, classified personnel or their heirs are compensated for accumulated annual leave not to exceed 300 hours.

Employees of the Eleventh Judicial District Criminal Court Fund earn 10 days of vacation leave and 45 days of sick leave each year, depending on their length of service. Vacation and sick leave do not accumulate, and employees cannot be paid for unused leave upon termination of employment.

For the portion of the salaries paid by the Sabine Parish Police Jury, the cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the governmental funds when leave is actually taken. Police jury employees and employees of the Department of Elections and Registration, paid in part by the police jury, have accumulated and vested \$299,943 of employee leave benefits, which were computed in accordance with GASB Codification Section C60.

L. RESTRICTED NET POSITION

For government-wide statement of net position, net position, if applicable, are reported as restricted when constraints placed on net asset use are either, externally imposed by creditors (such as debt covenants, construction contracts, etc.), grantors, contributors, or laws or regulations of other governments and/or imposed by law through constitutional provisions or enabling legislation.

M. FUND EQUITY

Effective for fiscal years ending December 31, 2012, the police jury implemented the requirements of GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement provides more clearly defined fund balance categories to make the nature and extent of constraints placed on government's fund balance more transparent. The following classifications describe the relative strength of spending constraints:

Nonspendable Fund Balance - amounts that are not in spendable form; i.e., inventory, prepaid expenses, etc.

Restricted Fund Balance - amounts constrained to specific purposes by their providers; i.e., grantors, bondholders, and higher levels of government through constitutional provision or enabling legislation.

Committed Fund Balance - amounts constrained to specific purposes, by the jury, using its highest level of decision-making authority. These fund balances can not be used for any other purpose unless the jury takes the same highest level action to remove or modify the constraint.

Assigned Fund Balance - amounts the police jury intends to use for a specific purpose. Intent is expressed by the jury.

Unassigned Fund Balance - amounts that are available for unrestricted expenditure. Positive amounts are reported only in the General Fund.

The police jury, establishes fund balance commitments and assignments by passage of a resolution, typically uses restricted fund balances first, followed by committed, assigned, and unassigned fund balances when an expenditure is incurred for purposes for which amounts in any of these classifications could be used.

SABINE PARISH POLICE JURY
Many, Louisiana
Notes to the Basic Financial Statements
(Continued)

N. EXTRAORDINARY AND SPECIAL ITEMS

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the police jury, which are either unusual in nature or infrequent in occurrence.

O. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

P. SALES TAXES

The Sabine Parish Police Jury levies a one per cent sales and use tax. The tax proposition provides that the tax be used to establish, construct, acquire, improve, and operate a solid waste collection and disposal system for the parish, with the balance of the funds used to establish, maintain, and improve roads and bridges. The tax went into effect on August 1, 1984, was renewed during 2003, and will expire on July 31, 2014. Delinquencies and July taxes would be remitted to the jury after July 31, 2014.

Q. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND CASH EQUIVALENTS

At December 31, 2012, the police jury has cash and cash equivalents (book balance) as follows:

Petty cash	\$100
Interest-bearing demand deposits	10,539,001
Total Cash and Cash Equivalents	\$10,539,101

The collected bank balances (cash and cash equivalents), at December 31, 2012, are secured as follows:

Description	Category			Bank	Book
	1	2	3	Balance	Balance
Demand deposits	\$500,000	NONE	\$10,077,654	\$10,577,654	\$10,539,001

SABINE PARISH POLICE JURY
Many, Louisiana
Notes to the Basic Financial Statements
(Continued)

Category 1 includes cash and cash equivalents that are insured or registered or for which the securities are held by the police jury or its agent in the police jury's name. Category 2 includes uninsured and unregistered cash and cash equivalents for which securities are held by the bank's trust department, broker-dealers, or agent in the police jury's name. Category 3 includes uninsured and unregistered cash and cash equivalents for which the securities are held by the bank's trust department, broker-dealer, or by its agent but not in the police jury's name.

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the police jury that the fiscal agent has failed to pay deposited funds upon demand.

3. RECEIVABLES

The receivables at December 31, 2012, are as follows:

Class of Receivable	Major	Nonmajor	Total
	Funds	Funds	
Taxes - ad valorem	\$914,752	\$1,518,872	\$2,433,624
Intergovernmental revenues	398,496	277,376	675,872
Other	41,996	1,977	43,973
Totals	<u>\$1,355,244</u>	<u>\$1,798,225</u>	<u>\$3,153,469</u>

4. CAPITAL ASSETS

Governmental capital assets and depreciation activity as of and for the year ended December 31, 2012, is as follows:

Description	Beginning	Additions	Deductions	Ending
	Balance			Balance
Land	\$595,253			\$595,253
Buildings	2,403,528	\$270,168		2,673,696
Machinery & equipment	4,681,325	1,379,281	\$506,778	5,553,828
Furniture & Fixtures	76,362	14,820		91,182
Infrastructure	65,308,283	384,063	18,695	65,673,651
Total Capital Assets	<u>73,064,751</u>	<u>2,048,332</u>	<u>525,473</u>	<u>74,587,610</u>

SABINE PARISH POLICE JURY
Many, Louisiana
Notes to the Basic Financial Statements
(Continued)

Less-accumulated

depreciation:

Buildings	\$982,132	\$43,844		\$1,025,976
Machinery & equipment	2,633,793	295,593	\$302,548	2,626,838
Furniture & fixtures	68,595	3,291		71,886
Infrastructure	56,943,277	1,321,352	18,695	58,245,934
Total accumulated depreciation	60,627,797	1,664,080	321,243	61,970,634
Net capital assets	\$12,436,954	\$384,252	\$204,230	\$12,616,976

Current year depreciation, charged to the public works function (Statement B) was \$1,342,757 for the year ended December 31, 2012.

5. PENSION PLAN

Substantially all employees of the police jury, are members of the Parochial Employees Retirement System of Louisiana ("system"), a multiple-employer, public employee retirement system (PERS), controlled and administered by a separate board of trustees. The system is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Employees of the police jury are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from funds and all elected parish officials, enrolled as of January 1, 1997, are eligible to participate in the system. Under Plan A, employees who were hired prior to January 1, 2007, may retire at or after age 65 with at least 7 years of credited service, at age 60 with at least 10 years of credited service, at or after age 55 with 25 years of credited service, or at any age with at least 30 years of credited service and employees who were hired after January 1, 2007, may retire at age 67 with at least 7 years of credited service, at age 62 with at least 10 years of credited service, or at age 55 with at least 30 years of credited service, are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final compensation multiplied by the employee's years of credited service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to 1 per cent of final compensation, plus \$24 for each year of supplemental plan only service earned prior to January 1, 1980. Final compensation is the employee's monthly earnings during the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of credited service stated previously and who do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The system also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post office Box 14619, Baton Rouge, LA 70898-4619, or by calling (504) 928-1361.

SABINE PARISH POLICE JURY
Many, Louisiana
Notes to the Basic Financial Statements
(Continued)

Under Plan A, members are required by state statute to contribute 9.50 percent of their annual covered salary and the employer is required to contribute at an actuarially determined rate. The current rate is 15.75 percent of annual covered payroll. Contributions to the System include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of the parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the employers are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation of the prior fiscal year. The employer contributions to the System under Plan A for the years ending December 31, 2012, 2011, and 2010, were \$228,395, \$214,962, and \$173,045, respectively, equal to the required contributions for each year.

6. LONG-TERM LIABILITIES

The police jury records items under capital leases as an asset and an obligation in the accompanying financial statements. The lease obligations, consisting of equipment, i.e., vehicles, tractors, motor graders, et cetera, are paid from the Parish Transportation Fund and the Road District Maintenance Funds.

The following is a schedule of changes in long-term liabilities for the year ended December 31, 2012:

	Compensated	Capital	
	Absences	Leases	Total
Balance, December 31, 2011	\$277,103	\$97,314	\$374,417
Additions	79,735	829,954	909,689
Deductions	(56,895)	(289,066)	(345,961)
Balance, December 31, 2012	<u>\$299,943</u>	<u>\$638,202</u>	<u>\$938,145</u>
Current	\$56,895	\$223,299	280,194
Long-term	243,049	414,903	657,952
Total	<u>\$299,944</u>	<u>\$638,202</u>	<u>\$938,146</u>

SABINE PARISH POLICE JURY
Many, Louisiana
Notes to the Basic Financial Statements
(Continued)

The following is a schedule of future minimum lease payments under the capital leases and the present value of the net minimum lease payments:

	Capital Lease Obligations
For the Year Ended December 31,	
2013	\$238,242
2014	213,431
2015	213,431
2016	1
Total	665,105
Less - amount representing interest	(26,903)
Balance, December 31, 2012	\$638,202

7. CRIMINAL COURT FUND

Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the criminal court fund at year end be transferred to the parish General Fund. The following details the amount due for the year ended December 31, 2012:

Balance due, December 31, 2011	\$19,617
Amount due for 2012	19,644
Remitted	(19,617)
Balance due, December 31, 2012	\$19,644

SABINE PARISH POLICE JURY
Many, Louisiana
Notes to the Basic Financial Statements
(Continued)

8. INTERFUND RECEIVABLES/PAYABLES

Interfund receivables/payables at December 31, 2012 are as follows:

	Interfund	
	Receivable	Payable
General Fund	\$58,500	
Special Revenue Funds:		
Criminal Court Fund		\$19,644
Witness Fee Fund		38,856
Totals	\$58,500	\$58,500

9. RISK MANAGEMENT

The police jury is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The police jury carries commercial insurance for all the aforementioned risks of loss and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

10. LITIGATION

At December 31, 2012, the police jury is involved in several lawsuits. In the opinion of the police jury's legal counsel, none of the lawsuits will result in loss to the police jury in excess of the police jury's insurance.

11. LANDFILL

On April 29, 1994, the Sabine Parish Police Jury (the Parish) entered into a *Contract of Landfill Management* (Contract) with TransAmerican Waste Industries, Inc., (Contractor) which transfers operation and maintenance of the Sabine Parish Landfill from the Parish to the Contractor. The Contract frees the Parish from any and all future environmental liabilities and/or responsibility associated with ownership, operation of, and management of the Sabine Parish Landfill.

Since the financial obligation related to closure and postclosure care of the landfill has been legally transferred to the Contractor and it has been determined that the Contractor is financially capable of meeting the financial obligations imposed by the closure and postclosure care responsibilities, the Parish is not required to, and has not, recognized any closure and postclosure costs relating to the operation of the Sabine Parish Landfill.

REQUIRED SUPPLEMENTAL INFORMATION
PART II

SABINE PARISH POLICE JURY
Many, Louisiana
GOVERNMENTAL FUND - GENERAL FUND

Budgetary Comparison Schedule
For the Year Ended December 31, 2012

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES - BEGINNING	\$3,563,309	\$4,049,795	\$4,049,795	NONE
Resources (inflows)				
Taxes, licenses, and permits	752,560	900,992	917,003	16,011
Intergovernmental grants	1,989,641	1,686,900	1,152,811	(534,089)
Fines, fees, forfeitures, and permits	1,500	750	681	(69)
Use of money and property	71,700	63,800	84,327	20,527
Operating transfers in	1,000	1,000	19,644	18,644
Total resources (inflows)	2,816,401	2,653,442	2,174,466	(478,976)
Amounts available for appropriations	6,379,710	6,703,237	6,224,260	(478,976)
Charges to appropriations (outflows)				
Current:				
General government:				
Legislative	249,058	136,813	130,158	6,655
Judicial	370,746	350,000	237,291	112,709
Elections	38,941	38,941	25,646	13,295
Finance and administration	255,894	264,979	265,442	(463)
Other	548,177	572,755	434,333	138,422
Public safety	1,313,889	1,317,033	824,719	492,314
Health and welfare	14,928	15,228	15,228	
Culture and recreation		11,639	11,639	
Economic development and assistance	25,441	32,746	32,746	
Total charges to appropriations	2,817,074	2,740,134	1,977,200	762,934
BUDGETARY FUND BALANCES - ENDING	\$3,562,636	\$3,963,103	\$4,247,060	\$283,957

See independent auditor's report.

SABINE PARISH POLICE JURY
 Many, Louisiana
 GOVERNMENTAL FUND - TRANSPORTATION FUND

Budgetary Comparison Schedule
 For the Year Ended December 31, 2012

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES - BEGINNING	\$304,000	\$396,679	\$396,679	NONE
Resources (inflows)				
Intergovernmental grants	303,047	328,984	361,845	\$32,861
Use of money and property	1,200	550	809	259
Operating transfers in	2,196,000	2,196,000	2,196,000	
Sale of capital assets		17,550	17,550	
Total resources (inflows)	2,500,247	2,543,084	2,576,204	33,120
Amounts available for appropriations	2,804,247	2,939,763	2,972,883	33,120
Charges to appropriations (outflows)				
Current:				
Public works	2,625,232	2,502,785	2,441,967	60,818
Operating transfers out	49,491	89,725	97,386	(7,661)
Debt service		161,753	161,753	
Total charges to appropriations	2,674,723	2,754,263	2,701,106	53,157
BUDGETARY FUND BALANCES - ENDING	\$129,524	\$185,500	\$271,777	\$86,277

See independent auditor's report.

SABINE PARISH POLICE JURY
 Many, Louisiana
 GOVERNMENTAL FUND - SALES TAX FUND

Budgetary Comparison Schedule
 For the Year Ended December 31, 2012

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES - BEGINNING	\$2,404,000	\$3,439,175	\$3,439,175	NONE
Resources (inflows)				
Taxes, licenses, and permits	6,500,000	5,000,000	5,173,147	173,147
Intergovernmental grants			3,641	3,641
Fees and charges for services	175,000	111,000	124,631	13,631
Use of money and property	3,600	3,877	877	(3,000)
Total resources (inflows)	6,678,600	5,114,877	5,302,297	187,420
Amounts available for appropriations	9,082,600	8,554,052	8,741,472	187,420
Charges to appropriations (outflows)				
Current:				
General government - finance and administration	77,000	72,000	43,622	28,378
Public works	898,528	863,052	783,554	79,498
Other financing uses	6,746,000	6,746,000	6,746,000	
Total charges to appropriations	7,721,528	7,681,052	7,573,176	107,876
BUDGETARY FUND BALANCES - ENDING	\$1,361,072	\$873,000	\$1,168,296	\$295,296

See independent auditor's report.

SABINE PARISH POLICE JURY
 Many, Louisiana
 GOVERNMENTAL FUND - ROAD DISTRICT NO. 16 FUND

Budgetary Comparison Schedule
 For the Year Ended December 31, 2012

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES - BEGINNING	\$130,000	\$233,576	\$233,576	NONE
Resources (inflows)				
Taxes, licenses, and permits	95,967	107,259	109,387	2,128
Intergovernmental grants		6,821	6,238	(583)
Use of money and property	7,340	13,840	13,880	40
Other financing sources	355,763	360,450	361,342	892
Total resources (inflows)	459,070	488,370	490,847	2,477
Amounts available for appropriations	589,070	721,946	724,424	2,477
Charges to appropriations (outflows)				
Current:				
General government - public works	480,070	617,686	555,544	62,142
Total charges to appropriations	480,070	617,686	555,544	62,142
BUDGETARY FUND BALANCES - ENDING	\$109,000	\$104,260	\$168,880	\$64,620

See independent auditor's report.

SABINE PARISH POLICE JURY
 Many, Louisiana
 GOVERNMENTAL FUND - HEALTH UNIT FUND

Budgetary Comparison Schedule
 For the Year Ended December 31, 2012

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES - BEGINNING	\$1,926,000	\$1,948,348	\$1,948,348	NONE
Resources (inflows)				
Taxes, licenses, and permits	125,586	150,196	156,932	6,736
Intergovernmental grants	9,140	7,252	6,666	(586)
Use of money and property	12,000	4,000	4,583	583
Total resources (inflows)	146,726	161,448	168,181	6,733
Amounts available for appropriations	2,072,726	2,109,796	2,116,528	6,733
Charges to appropriations (outflows)				
Current:				
General government - health and welfare	174,032	250,996	233,273	17,723
Total charges to appropriations	174,032	250,996	233,273	17,723
BUDGETARY FUND BALANCES - ENDING	\$1,898,694	\$1,858,800	\$1,883,256	\$24,456

See independent auditor's report.

**SABINE PARISH POLICE JURY
MANY, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012**

NONMAJOR GOVERNMENTAL FUNDS

ROAD DISTRICT MAINTENANCE FUNDS -- are separate taxing districts which levy ad valorem property taxes at varying millages. The revenues collected by the individual road districts can only be expended within that district.

WITNESS FEE FUND -- pays fees for law enforcement officers who appear in court while off duty. Financing is provided through court costs designated for that purpose.

JUROR FEE FUND -- pays fees for individuals serving the parish's judicial system as a juror. Financing is provided through court costs designated for that purpose.

INDUSTRIAL DISTRICT NO. 1 DEBT SERVICE FUND -- accounts for the accumulated balance remaining from the servicing of debt on industrial development bonds.

LOUISIANA COMMUNITY DEVELOPMENT BLOCK GRANT CAPITAL PROJECTS FUND -- accounts for the operation of the Federal grant passed through the State of Louisiana.

**SABINE PARISH POLICE JURY, PRIMARY GOVERNMENT
MANY, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012**

SABINE PARISH POLICE JURY
Many, Louisiana
NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet, December 31, 2012
(With Comparative Totals, December 31, 2011)

	ROAD DISTRICTS	WITNESS FEES	JUROR FEES	INDUSTRIAL DISTRICT NO. 1 DEBT SERVICE FUND	LOUISIANA COMMUNITY DEVELOPMENT BLOCK GRANT - CAPITAL PROJECTS FUND	TOTAL	
						2012	2011
ASSETS							

Cash and cash equivalents	\$2,549,318		\$81,143	\$86,704		\$2,717,164	\$3,051,595
Receivables	1,564,141	\$1,261	716		\$232,107	1,798,226	1,019,558
Interfund receivables							3,989
TOTAL ASSETS	\$4,113,459	\$1,261	\$81,859	\$86,704	\$232,107	\$4,515,390	\$4,075,143
	=====	=====	=====	=====	=====	=====	=====
LIABILITIES AND FUND BALANCE							

Liabilities:							
Accounts payable	\$283,303	\$204			\$232,107	\$515,614	\$104,548
Interfund payables		38,856				38,856	46,570
Total liabilities	283,303	39,060	NONE	NONE	232,107	554,471	151,118
Fund Balance:							
Restricted for maintenance and operation	3,830,156		\$81,859	\$86,704		3,998,719	3,948,853
Unassigned (deficit)		(37,799)				(37,799)	(24,829)
Total Fund Balance	3,830,156	(37,799)	81,859	86,704	NONE	3,960,920	3,924,025
	-----	-----	-----	-----	-----	-----	-----
TOTAL LIABILITIES AND FUND BALANCE	\$4,113,459	\$1,261	\$81,859	\$86,704	\$232,107	\$4,515,390	\$4,075,143
	=====	=====	=====	=====	=====	=====	=====

See independent auditor's report.

SABINE PARISH POLICE JURY
Many, Louisiana
NONMAJOR GOVERNMENTAL FUNDS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2012
(With Comparative Totals for the Year Ended December 31, 2011)

	ROAD DISTRICTS MAINTENANCE FUNDS	WITNESS FEE FUND	JUROR FEE FUND	INDUSTRIAL DISTRICT NO. 1 DEBT SERVICE FUND	LOUISIANA COMMUNITY DEVELOPMENT BLOCK GRANT - CAPITAL PROJECTS FUND	TOTAL	
						2012	2011
REVENUES							
Taxes - ad valorem	\$1,759,475					\$1,759,475	\$1,174,535
Intergovernmental revenues - state funds							
Federal funds					\$279,179	279,179	
State funds	67,905					67,905	65,038
Fines and forfeitures		\$20,841	\$16,717			37,558	39,801
Use of money and property	10,820		200	\$219		11,239	27,296
Other revenues	54,705					54,705	94,627
Total revenues	1,892,905	20,841	16,917	219	279,179	2,210,060	1,401,297
EXPENDITURES							
Current:							
General government:							
Judicial		33,811	10,044			43,855	32,758
Finance and administrative	65,515					65,515	42,824
Public works	4,990,462					4,990,462	2,825,505
Economic development					279,179	279,179	
Debt service:							
Principal	127,313					127,313	76,113
Interest	4,270					4,270	3,791
Total expenditures	5,187,560	33,811	10,044	NONE	279,179	5,510,594	2,980,992
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(3,294,655)	(12,970)	6,873	219	NONE	(3,300,534)	(1,579,696)

See independent auditor's report.

SABINE PARISH POLICE JURY
Many, Louisiana
NONMAJOR GOVERNMENTAL FUNDS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2012
(With Comparative Totals for the Year Ended December 31, 2011)

	ROAD DISTRICTS MAINTENANCE FUNDS	WITNESS FEE FUND	JUROR FEE FUND	INDUSTRIAL DISTRICT NO.1 DEBT SERVICE FUND	LOUISIANA COMMUNITY DEVELOPMENT BLOCK GRANT - CAPITAL PROJECTS FUND	TOTAL	
						2012	2011
OTHER FINANCING SOURCES (Uses)							
Operating transfers in	\$3,570,622					\$3,570,622	\$3,380,174
Increase in capital leases	200,955					200,955	65,100
Total other financing sources (uses)	3,771,577	NONE	NONE	NONE	NONE	3,771,577	3,445,274
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	476,922	(\$12,970)	\$6,873	\$219	NONE	471,043	1,865,578
FUND BALANCES AT BEGINNING OF YEAR	3,353,234	(24,829)	74,986	86,485	NONE	3,489,876	2,058,447
FUND BALANCES AT END OF YEAR	\$3,830,156	(\$37,799)	\$81,859	\$86,704	NONE	\$3,960,920	\$3,924,025

See independent auditor's report.

SABINE PARISH POLICE JURY
 Many, Louisiana
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS - ROAD DISTRICT FUNDS

Combining Balance Sheet, December 31, 2012
 (With Comparative Totals, December 31, 2011)

	No. 1	No. 4	No. 9	No. 11	No. 15	No. 17	No. 19	No. 20	TOTAL	
									2012	2011
ASSETS										
Cash and cash equivalents	\$289,616	\$199,568	\$336,958	\$117,456	\$847,332	\$412,944	\$262,085	\$83,359	\$2,549,318	\$2,891,164
Receivables	299,186	251,560	144,918	240,364	173,227	293,751	117,556	43,580	1,564,141	1,017,756
Interfund receivables										3,989
TOTAL ASSETS	\$588,802	\$451,128	\$481,876	\$357,819	\$1,020,559	\$706,695	\$379,641	\$126,939	\$4,113,459	\$3,912,909
LIABILITIES AND FUND BALANCE										
Liabilities:										
Accounts payable	\$19,591	\$17,136	\$156,538	\$17,155	\$16,123	\$34,849	\$12,599	\$9,311	\$283,303	\$103,198
Interfund payables										22,329
Total liabilities	19,591	17,136	156,538	17,155	16,123	34,849	12,599	9,311	283,303	125,527
Fund Balance - restricted for maintenance and operation	569,211	433,992	325,338	340,664	1,004,436	671,846	367,042	117,629	3,830,156	3,787,382
TOTAL LIABILITIES AND FUND BALANCE	\$588,802	\$451,128	\$481,876	\$357,819	\$1,020,559	\$706,695	\$379,641	\$126,939	\$4,113,459	\$3,912,909

See independent auditor's report.

Schedule 9

SABINE PARISH POLICE JURY
 Many, Louisiana
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS - ROAD DISTRICT FUNDS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
 For the Year Ended December 31, 2012
 (With Comparative Totals for the Year Ended December 31, 2011)

	No. 1	No. 4	No. 9	No. 11	No. 15	No. 17	No. 19	No. 20	TOTAL	
									2012	2011
REVENUES										
Taxes - ad valorem	\$335,619	\$262,923	\$199,112	\$248,301	\$206,734	\$339,827	\$122,218	\$44,742	\$1,759,475	\$1,174,535
Intergovernmental revenues:										
Federal funds										
State funds	9,021	3,437	10,618	3,873	14,471	16,650	6,050	3,785	67,905	65,038
Use of money and property	1,364	907	1,071	900	3,198	1,775	969	636	10,820	26,118
Other revenues	19,462	6,333	13,290	11,462	2,450	709	1,000		54,705	94,627
Total revenues	365,465	273,600	224,090	264,536	226,853	358,961	130,237	49,163	1,892,905	1,360,318
EXPENDITURES										
Current:										
General government - other	12,589	9,836	7,161	9,300	7,993	12,277	4,639	1,720	65,515	42,824
Public works	667,913	437,622	679,532	708,030	937,507	870,442	255,963	433,453	4,990,462	2,825,505
Debt service:										
Principal	25,839	15,404		25,839			55,096	5,135	127,313	76,113
Interest		1,757					1,927	586	4,270	3,791
Total expenditures	706,341	464,619	686,693	743,169	945,500	882,719	317,625	440,893	5,187,560	2,948,234
EXCESS (Deficiency) OF REVENUES										
OVER EXPENDITURES	(340,876)	(191,019)	(462,603)	(478,633)	(718,647)	(523,758)	(187,389)	(391,730)	(3,294,655)	(1,587,916)
OTHER FINANCING SOURCES										
Operating transfers in	359,139	355,491	362,989	354,928	713,673	715,982	354,686	353,735	3,570,622	3,380,174
Increase in capital leases	100,478			100,478					200,955	65,100
Total other financing sources	459,616	355,491	362,989	455,405	713,673	715,982	354,686	353,735	3,771,577	3,445,274
EXCESS (Deficiency) OF REVENUES AND OTHER										
SOURCES OVER EXPENDITURES AND OTHER USES	118,740	164,472	(99,614)	(23,228)	(4,974)	192,224	167,297	(37,995)	476,922	1,857,358
FUND BALANCE AT BEGINNING OF YEAR	450,470	269,520	424,951	363,892	1,009,409	479,622	199,745	155,624	3,353,234	1,930,024
FUND BALANCE AT END OF YEAR	\$569,211	\$433,992	\$325,338	\$340,664	\$1,004,436	\$671,846	\$367,042	\$117,629	\$3,830,156	\$3,787,382

See independent auditor's report.

SABINE PARISH POLICE JURY
Many, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES

For the Year Ended December 31, 2012

COMPENSATION PAID POLICE JURORS

The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the police jurors is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1233, the police jury has elected the monthly payment method of compensation. Under this method, the president receives \$900 per month, while the other jurors receive \$800 per month.

SABINE PARISH POLICE JURY
Many, LouisianaSUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended December 31, 2012

COMPENSATION PAID POLICE JURORS

Alford, Oscar W.	\$1,947
Byrd, Randy	8,594
Carter, Kenny	8,594
Downs, Dennis	1,006
Ebarb, Kenneth	8,594
Ezernack, Albert J., Jr.	1,006
Funderburk, Kenneth	9,900
Funderburk, Willies	8,594
Garcie, Eric	8,594
Hopkins, Rodney	1,006
McDonald, Jerrt	1,006
Patrick, Noland D.	1,006
Procell, Rebecca W.	1,006
Ruffin, William E.	9,600
Sepulvado, Ricky L.	8,594
Slay, J. Michael	8,100
Total	<div style="border: 1px solid black; padding: 2px;">\$87,147</div>

See independent auditor's report.

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following pages contain reports on internal control over financial reporting and compliance and other matters required by *Government Auditing Standards*, issued by the Comptroller General of the United States.

HERBIE W. WAY
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

SABINE PARISH POLICE JURY
Many, Louisiana

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sabine Parish Police Jury, Many, Louisiana, as of and for the year ended December 31, 2012 and the related notes to the financial statements, which collectively comprise the basic financial statements of the primary government and have issued my report thereon dated June 4, 2013.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the entity's internal control over financial reporting (internal control) to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether entity's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

SABINE PARISH POLICE JURY
Many, Louisiana
GAO Report
(Continued)

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing on internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute (LSA-R.S.) 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Herbie W. Way

Herbie W. Way
Alexandria, Louisiana
June 4, 2013

**OTHER REPORTS REQUIRED BY
OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133**

The following pages contain reports on the schedule of federal financial assistance, consideration of internal control, and compliance with laws and regulations required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the *Single Audit Act*, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

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REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL
OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133

INDEPENDENT AUDITOR'S REPORT

SABINE PARISH POLICE JURY
Many, Louisiana

COMPLIANCE

I have audited the Sabine Parish Police Jury's, primary government, compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012. Sabine Parish Police Jury's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on compliance for each of the entity's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the entity's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide legal determination of the entity's compliance.

OPINION ON EACH MAJOR FEDERAL PROGRAM

In my opinion, the entity complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the entity is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the entity's internal control over compliance with the requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing my opinion on compliance with each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the entity's internal control over compliance.

A deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute (LSA-R.S.) 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

SABINE PARISH POLICE JURY
Many, Louisiana
A-133 Report
(Continued)

**REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133**

I have audited the financial statements of the Sabine Parish Police Jury, primary government, as of and for the year ended December 31, 2012, and have issued my report thereon dated June 4, 2013, with contained an unmodified opinion on those financial statements. My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining and individual nonmajor financial statements and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Herbie W. Way

Herbie W. Way
Alexandria, Louisiana
June 4, 2013

**SABINE PARISH POLICE JURY
Many, Louisiana**

**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2012**

SABINE PARISH POLICE JURY
 Many, Louisiana
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2012

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME PROGRAM NAME	CFDA NUMBER	PASS-THRU GRANT NUMBER	EXPENDITURES

UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			

Passed through Louisiana Division of Administration - Office of the Governor - Community Development Block Grants	14.228	711760	\$279,179

UNITED STATES DEPARTMENT OF HOMELAND SECURITY			

Passed through Louisiana Office of Homeland Security and Emergency Preparedness:			
Hazard Mitigation Grants	97.039	1603n-085-0002	314,763
Emergency Management Performance Grants	97.042	2011-SS-00124-S01	50,466
Homeland Security Grant Program	97.067	2010-SS-T0-0043	32,218

Total Louisiana Office of Homeland Security and Preparedness			397,447

Total United States Department of Homeland Security			397,447

Total Expenditures			\$676,626
			=====

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SABINE PARISH POLICE JURY
Many, Louisiana

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued.	Unqualified
Internal control over financial reporting:	
Material weakness identified?	No
Reportable condition identified not considered a material weakness?	No
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal Control over major programs:	
Material weakness identified?	No
Reportable condition identified not considered to be a material weakness?	No
Type of auditor's report issued on compliance for major programs.	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 Section 510(a)?	No
Dollar threshold used to distinguish between Type A and Type B Programs.	\$300,000

The following Federal financial assistance programs have been assessed as a major program:

CFDA No. 14.228 - Community Development Block Grant

CFDA No. 97.039 - Hazard Mitigation Grant

Auditee qualified as low risk auditee?	Yes
--	-----

The Schedule of Expenditure of Federal Awards has been prepared on a modified accrual basis of accounting, consistent with the Governmental funds financial statements.

No Federal awards have been passed through to any subrecipient.

SABINE PARISH POLICE JURY
Many, Louisiana
Schedule of Findings and Questioned Costs
(Continued)

Section II - Financial Statement Findings

The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Section III - Federal Award Findings and Questioned Costs

The audit disclosed no findings or questioned costs relating to expenditure of Federal Awards.

Herbie W. Way

Herbie W. Way
Alexandria, Louisiana
June 4, 2013

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MANAGEMENT LETTER FOR THE YEAR ENDED DECEMBER 31, 2012

SABINE PARISH POLICE JURY
Many, Louisiana

The results of my procedures disclosed the following areas of concern as it relates to possible noncompliance with Louisiana law:

- 2012-1 Louisiana Revised Statute (LSA-RS) 15:255 establishes the authority for judges to create and adequately finance a special fund, administered by the parish governing authority, to compensate off-duty police officers who are required to be present as a witness in court proceedings. The statute also provides that the judge or judges, as the needs of the special fund requires, to adjust the schedule of costs to ensure that the proceeds are adequate to fully pay the witness fees authorized.

For the year ended December 31, 2011, this "special fund" commonly known as the Witness Fee Fund reported a fund deficit of \$37,799, an increase of \$12,970 from the prior year.

In the prior audit, the judges amended the fee schedule to provide additional financing to the Witness Fee Fund and eliminate, over the next few years, the deficit in this fund. This action was not adequate, as the deficit increased from \$24,829 at December 31, 2011, to \$37,799 at December 31, 2012.

The secretary/treasurer of the police jury has given assurances that he will contact the district judges and amend the prior year corrective plan to ensure that the deficit is eliminated as soon as possible.

- 2012-2 In December 2011, the police jury adopted a resolution that provides continuing health care coverage for all employees who retire from the police jury, with at least 25 years of service and who have had Parish Government Risk Management Agency Group Health/Life Insurance (or a successor plan's coverage) for a least 5 years at the time of retirement, shall be vested with the rights to continue their coverage and dependent spouse coverage when they retire, at no cost to the retiree. This resolution was effective January 1, 2012.

Governmental Accounting Standards Board (GASB) 45 - Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions requires governmental entities that provide other postemployment benefits recognize and report the related expenditures, liabilities, note disclosures, and required supplementary information in the financial reports of the governmental entity.

The police jury has elected to omit the required recognition of expenditures, related liabilities and required supplementary information from the December 31, 2012, financial statements.

SABINE PARISH POLICE JURY
Many, Louisiana
Management Letter
(Continued)

The police jury should obtain, through an actuarial valuation or an acceptable alternate measurement, the financial information needed to properly record, report, and disclose the expenditures and liabilities related to the postemployment benefits to be received by vested retirees and their dependent spouses.

Management of the police jury, in a resolution dated June 19, 2013, has retained an actuarial firm to perform the valuation and that this information will be recorded, reported, and disclosed in compliance with GASB 45 in future financial reports. This finding is resolved.

Respectfully submitted,

Herbie W. Way

Herbie W. Way
Certified Public Accountant
Many, Louisiana
June 4, 2013

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MANAGEMENT LETTER FOR THE YEAR ENDED DECEMBER 31, 2011

SABINE PARISH POLICE JURY
Many, Louisiana

The results of my procedures disclosed the following areas of concern as it relates to possible noncompliance with Louisiana law:

2011-1 Louisiana Revised Statute (LSA-RS) 15:255 establishes the authority for judges to create and adequately finance a special fund, administered by the parish governing authority, to compensate off-duty police officers who are required to be present as a witness in court proceedings. The statute also provides that the judge or judges, as the needs of the special fund requires, to adjust the schedule of costs to ensure that the proceeds are adequate to fully pay the witness fees authorized.

For the year ended December 31, 2011, this "special fund" commonly known as the Witness Fee Fund reported a fund deficit of \$24,829.

On May 3, 2012, the judges agreed to amend the fee schedule to provide additional financing to the Witness Fee Fund and eliminate, over the next few years, the deficit in this fund.

This finding has not been resolved and has been repeated as 2012-1 in the current year management letter.

Respectfully submitted,

Herbie W. Way

Herbie W. Way
Certified Public Accountant
June 4, 2013